

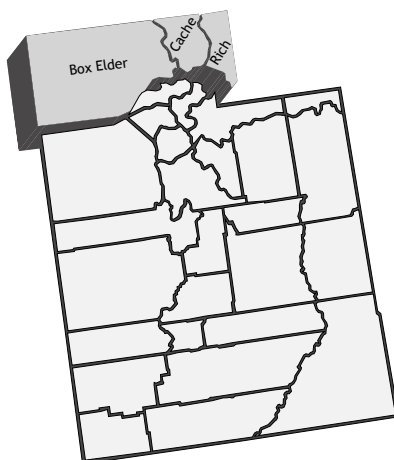
Workforce News



A publication of the Department of Workforce Services

Bear River: Box Elder, Cache, Rich

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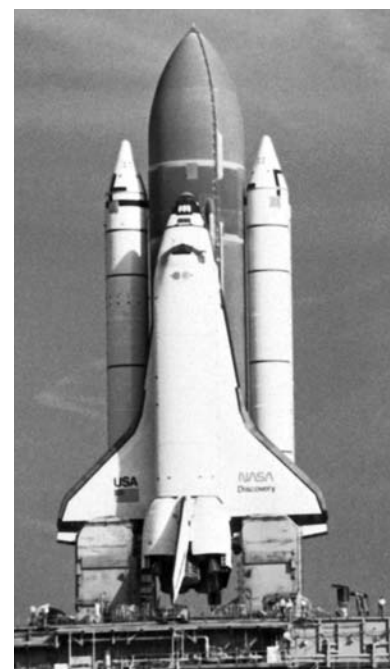


What Drives Your Economy?

What businesses/industries have the most impact on the economy of the three-county Bear River area? Are these drivers different for each of the counties? How many jobs are we talking about? What's the total payroll contributed by the "drivers?"

The nearly 4,000 worksites in the Bear River region are classified into some 11 industry groups employing around 65,000 workers. Two of these 11 major industry groups are the primary economic engines in Box Elder, Cache, and Rich counties. Take a guess as which ones these are.

If you guessed construction, trade, or services, you guessed wrong. The winners are manufacturing and government. For manufacturing's impact see the graph.



Inside:

- ✦ Box Elder & Cache counties reliance on manufacturing
- ✦ Consumer spending in Rich county



Contact the author, your regional economist, with any questions on content:

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The heaviest hitter in Box Elder should not be a surprise, it's manufacturing. For this county, manufacturing, and for the most part two companies (ATK and AutoLiv) are the dominant economic force in employment and in dollars of payroll. Here are the numbers. Manufacturing claims 39 percent of the employment and a whopping 58 percent of payroll dollars. Box Elder County has the highest proportion of employment in manufacturing of any county in the state. This is advantageous because manufacturing pays well. Box Elder has the highest average monthly manufacturing wage in Utah at \$4,095. The state average is \$3,216.

The unsettling thing about manufacturing, or any single industry that dominates an economy, is this dominance makes the county vulnerable to economic downturns. Manufacturing in Box Elder accounts for 39 percent of total employment. For the

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What Drives Your Economy?

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state only 10 percent of all jobs are in manufacturing. However, the trend for Box Elder is declining. The percentage is down from 54 percent in 1990. Good news.

Cache County's economic engine is driven by government. By far the largest government player is Utah State University (USU). The University is classified in state government. Again, this is no surprise. Government (federal, state, and local) lays claim to 24 percent of all jobs, and over one-fourth of all payroll. Government's share of total jobs has held relatively steady over the last 15 years, from about 20 to 24 percent of the total.

Unlike Box Elder County, where one industry dominates, Cache County is a little more diversified. Manufacturing

establishments account for 18 percent of all jobs and 24 percent of total payroll dollars. Combined, one-half of all employees' pay comes through



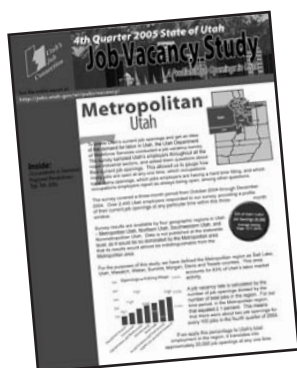
either government or manufacturing. Like Box Elder County, manufacturing is also losing some of its share of total employment, from 26 percent in 1990

to 18 percent in 2004.

Rich County is primarily driven by government, and of that local government employer is the local school district. Rich County has fewer than 700 nonfarm workers, and about 200, or 30 percent, are employed by government. Forty-five percent of the total \$11.7 million in payroll in Rich County came from government.

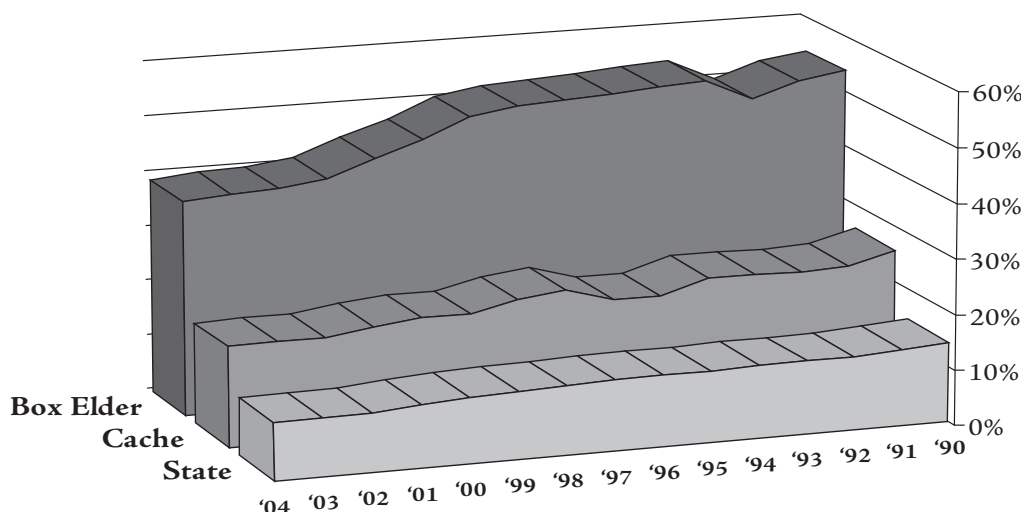
Of course this is not to say that the other industries in the counties are not important. They are. But as far as contributing to the total economic wellbeing of the county, the dominant industries are manufacturing in Box Elder, government and manufacturing in Cache, and government in Rich County.

Check it Out



Our new Job Vacancy Study at <http://jobs.utah.gov/opencms/wi/pubs/jvs2005/>.

Box Elder & Cache Counties Reliance on Manufacturing (Percent of Total Jobs)



County News

Box Elder County: Job growth of 4.6 percent added some 850 new jobs to the county's payrolls between September of 2004 and September 2005. This newfound employment contributed to the slide in the level of joblessness. For September, about 4.1 percent of the civilian labor force was idled. The unemployment rate has declined steadily from 5.0 percent in October to 4.3 percent in November, and down to 4.1 percent in December. Most of the job growth was experienced in construction, where over 500 new jobs were generated. Other industries with new payroll slots were transportation and warehousing (100), and professional and business services (80). Other economic indicators in the county were also positive. Spending was up by about 10 percent from the third quarter of 2004. Construction activity was surging, with permits for new dwelling units jumping by 56 percent, from 90 to about 140 during the July, August and September period. Total construction valuation also accelerated by 70 percent compared with last year.

Cache County: Bear River's largest county experienced falling unemployment rates over the last three months. Job growth in September 2005 was up by 1.3 percent from a year ago. Some 600 new employment positions were created across the county in the year-over comparison. Virtually all of the jobs were in the service-producing industries, namely finance and insurance, and education and healthcare. In the September 2004 to September 2005 comparison, virtually no new jobs were logged in manufacturing or construction payrolls. Spending in Cache County increased at a 9-percent pace compared to the third quarter of 2004. Building valuations in the county increased between third quarter of 2004 and third quarter of 2005 by about 20 percent but permits for new dwelling units fell from about 400 to about 370 during the same time period.

Rich County: The July, August, and September summer "seasonal" months were not as strong as they were in 2004, at least in terms of new jobs. The number of jobs in September 2005 totaled 760 for the county. The construction industry was the only contributor of new jobs during the last part of the season. This was down by 4.5 percent from the 790 level for September of 2004. Even with the slight decline in jobs, the unemployment rate for the county actually fell to a low of 2.7 percent for September. This was down from the 3.1-percent level for November of 2005. One of the strongest pieces of evidence of a good summer was the 36-percent surge in consumer spending. Total spending increased from \$7.7 million to \$10.5 million between the third quarters of 2004 and 2005. Building/construction activity improved in terms of permits from only 11 in 2004 to 36 for the third quarter of 2005. Total dollar valuation of all construction was also up three-fold from about \$3.2 million in 2004 to \$14.3 million in 2005. The 2005 year was big for building in Rich County.

What's Up?

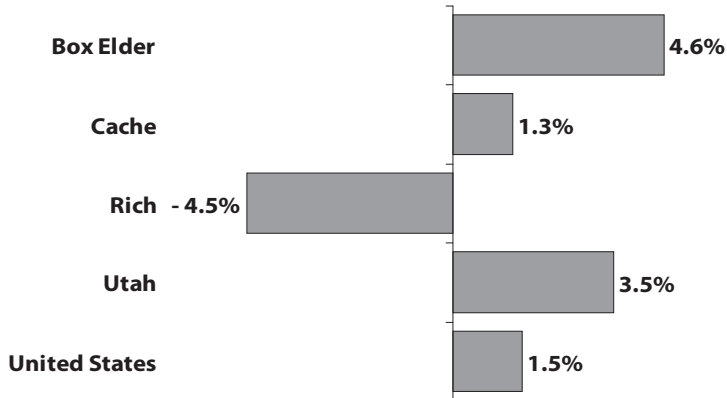
✧ Utah's ATK/Thiokol is flying high after receiving a new U.S. Air Force contract that allows it to continue to update and replace the aging motors on the nation's last remaining land-based strategic missile system. The \$225 million contract was awarded to Northrop Grumman Mission Systems that is serving as the prime contractor for the Minuteman III system upgrade.

✧ Commercial air service from the Logan-Cache Airport to Las Vegas and Denver could be less than two months away, airport officials and a Vision Air Executive said. The airline hopes to offer the first passenger service from the airport in nearly two decades sometime in early April, at least in a limited capacity.

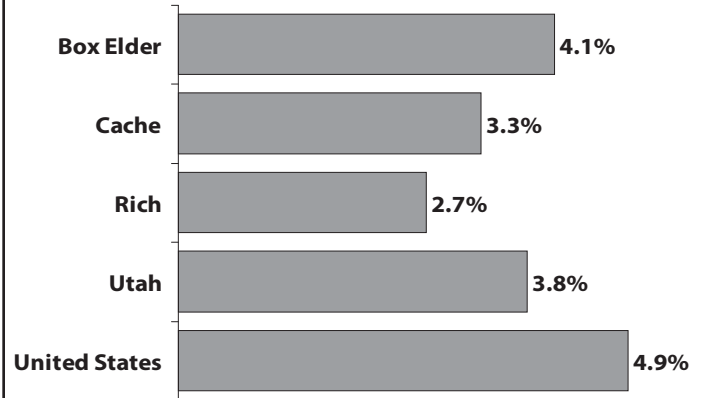
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**Percent Change in Bear River Nonfarm Jobs
September 2004 to September 2005**



**Seasonally Adjusted Unemployment Rate
Bear River December 2006**



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

03-51BR-0306